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United States Virgin Islands

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I. General

1. The United States Virgin Islands[1] are located in the eastern part of the Caribbean Sea, approximately 1,000 miles south-east of Miami and 45 miles east of Puerto Rico. The Territory is made up of three main islands (St. Croix, St. John and St. Thomas) and one small island (Water Island) recently transferred to the jurisdiction of the territorial Government. The capital, Charlotte Amalie, is located on St. Thomas.

2. According to the United States Census Bureau, the population as of mid-1997 was estimated at 116,882, with a current growth rate of 1.3 per cent. The growth rates in St. Thomas and St. John were approximately 15 per cent each during the period 1990-1997, whereas the population of St. Croix grew only 3 per cent in the same period.[2]

3. Immigration into the Territory has declined over the past several decades. Native Virgin Islanders were a minority in the 1980 and 1990 censuses, but were a majority again by 1995, as children of the immigrant population raised the number of native-born. The percentage of residents born outside the United States decreased from 37.7 per cent in 1980 to 33.9 per cent in 1995. Foreign immigrants are mostly from the Eastern Caribbean and the Dominican Republic, while domestic migrants came from Puerto Rico and the mainland United States.

II. Constitutional and political developments

A. General

4. The United States Virgin Islands constitute an organized, unincorporated Territory of the United States of America. Following the adoption of the Organic Act of the Virgin Islands (1936), last revised in 1954, the islands were granted a measure of self-government over local affairs. Executive power is vested in a popularly elected Governor, who appoints, with the advice and consent of the Legislature, the heads of the executive departments.

5. The Legislature, a unicameral body comprising 15 senators, is elected for a two-year term by a popular vote. The Legislature has the power to enact laws such that they are consistent with federal laws made applicable to the Territory by the United States Congress and do not impair rights guaranteed by treaties, international agreements, or rights contained in the Organic Act's "Bill of Rights". Under the latter are enumerated, *inter alia*, rights of due process and equal protection, and freedoms of speech, assembly and religion. The Legislature may also issue bonds, levy customs duties (up to 6 per cent) and oversee executive departments. Legislation is subject to approval by the Governor, whose veto can be overridden by two thirds of the Legislature. The United States Congress retains the right to annul any act of the local legislature. The United States Virgin Islands is represented in the United States Congress by a popularly elected delegate who may vote in the committees in which he or she is a member, but not in floor votes.

6. The judicial system includes two courts: the United States Federal District Court of the Virgin Islands, whose judges are appointed by the President of the United States with the advice and consent of its Senate; and the United States Territorial Court of the Virgin Islands, whose nine judges are appointed by the Governor. The Federal District Court has jurisdiction in civil, criminal and federal actions.

7. Since the Organic Act of the Virgin Islands (1936) was last revised in 1954, there have been five attempts to redraft it in order to change the current internal mechanisms of government. Each draft, however, was rejected by a referendum. Regarding the Territory's political status, the most recent attempt to create a constitution was in 1993. However, only 27 per cent of the electorate voted (80.3 per cent of which voted to retain the current status). The result was considered invalid as less than 50 per cent of the electorate voted. Recently, legislation has been introduced in the Territorial Senate to create the mechanisms for the establishment of a constitutional convention. If the legislation is approved the members of the convention would be elected during the next general elections (November 2000). The draft constitution emerging from the convention would have to be submitted to the Territory's electorate in a referendum and, subsequently, to the United States Congress, which has the power to amend, approve or reject it. In this connection, on 17 May 2000, the House Resources Committee in Washington, D.C., held a hearing on a bill applicable to the United States Virgin Islands and Guam which would extend the time

span which Congress has to review any draft constitution submitted by these Territories from 60 days to an open-ended period. The bill would also confirm that the completion of a local constitution by the territorial electorate would not preclude their right to self-determination and the modification of the present political status arrangements.

8. The process of transferring ownership of Water Island, off the south shore of St. Thomas, to the United States Virgin Islands Government, is ongoing. Following the outcome of litigation between the master leaseholder and the United States Department of the Interior, the island has been transferred to the territorial Government and is now part of the District of St. Thomas and St. John.

B. Recent elections

9. The governorship of the Territory changed hands from Roy. L. Schneider to Charles W. Turnbull in January 1999, following elections in November 1998. Mr. Turnbull won the election with 58 per cent of the vote against the incumbent, Mr. Schneider, who obtained 40.9 per cent. In his first mandated address on the state of the Territory, the Governor emphasized the precarious nature of the Territory's financial system, indicated that he would reorganize and cut the costs of Government and noted that he would work closely with the private sector to encourage new businesses, promote the growth of existing businesses and increase employment. The Governor also indicated during his campaign that he would call a convention to write a draft constitution (see para. 7).

10. Also in January 1999, a new legislature was sworn in. The twenty-third Legislature of the Virgin Islands is made up of seven Democrats, two Republicans, two members of the Independent Citizens Movement and four non-party affiliate members.

11. During the annual State of the Territory address on 10 January 2000, Governor Turnbull highlighted his Government's fiscal accomplishments during 1999, saying that Government spending and hiring had been contained, and that the Government had begun paying its overdue bills, including tax refunds and vendor payments[3] (see paras. 15 to 18 for information on public finance).

III. Military installations

12. According to the most recent information provided by the administering Power (see A/AC.109/2014, para. 19), the United States Navy maintains a radar and sonar calibration station and a headquarters building for its underwater tracking facility. There are permanent recruitment centres for the armed forces and a detachment of the United States Coast Guard on St. Thomas. The Virgin Islands National Guard is affiliated with the United States Army. The Territory remains a port of call for United States naval vessels and those of its allies.

IV. Economic conditions

A. General

13. According to the administering Power, the per capita income is around $12,000, which represents approximately 80 per cent of per capita income in the mainland United States. Approximately 30 per cent of the population lives below the poverty line.

14. A considerable amount of work continues to repair the combined damage to homes, businesses, utilities and commercial buildings caused by hurricanes Hugo in 1989 and Marilyn in 1995 and, more recently, by Georges in 1998 and Lenny in 1999. The cost of the repairs continues to cause fiscal and financial problems in the Territory, despite federal assistance through grants and loans and close to US$ 500 million distributed to the Virgin Islands by the Federal Emergency Management Agency (FEMA) between 1995 and 2000.[4] In June 2000, just as the hurricane season was beginning, the United States Senate Government Operations Committee approved a bill providing for the Virgin Islands to join the nation's Emergency Management Assistance Compact (EMAC). This gives each member access to assistance from other member States or Territories in the event of disasters, in addition to the assistance provided by FEMA.[5]

B. Public finance

15. According to the incoming Governor in January 1999, as cited in press reports, the territorial Government bore a long-term debt of approximately $1 billion in addition to other obligations, including

$66 million in outstanding vendor payments, $24 million in delayed tax refunds, and $90 million owed to other funds and for unpaid debts of previous years. The situation deteriorated notably in the spring of 1999. The Governor announced on 6 April 1999 that the treasury was $5 million short of the amount needed to pay government salaries, and that, for the first time in the Territory's history, public salaries would not be paid as scheduled. Attempts to redress the poor fiscal situation were complicated by an October 1998 reduction in the rebate to the Territory of a federal rum tax. Fortunately, the rum tax cap was lifted by the United States Government in December 1999, generating an additional US$ 30 million for the local treasury.[6]

16. In June 1999, meetings were held between the Secretary of the Interior, the Governor of the Virgin Islands and the Delegate to Congress to discuss the Islands' severe financial problems. All three reaffirmed their commitment to implement the Virgin Islands Economic Revitalization Initiative and discussed the need for specific benchmarks to monitor the success of the territorial government in fulfilling its obligations.[7]

17. In August 1999, the Governor appointed the economic recovery task force, composed of representatives of the Islands' government, legislative and judiciary. The head of the Task Force, John DeJongh, reported in January 2000 that the public debt in the Islands had reached an "unimaginable" US$ 1.12 billion with the last six years, showing a government deficit. The report added that without measures to reduce expenditure and increase revenue, the deficit would reach a figure between US$ 80 million and US$ 100 million annually by 2004. The report proposed measures which would produce a budget surplus of US$ 212 million in the next five years.[8]

18. In fiscal year 1999, the United States' legislative appropriation for the United States Virgin Islands was US$ 489.2 million. In 2000 it received special extra funding of US$ 5.4 million to address critical federally ordered or mandated infrastructure needs. This money was also made contingent upon the Territory establishing financial and accountability performance standards included in a memorandum of understanding signed by the Governor and the Secretary of the Interior in October 1999. As a further incentive to implement these standards, the proposed 2001 budget includes an advance appropriation of US$ 10 million to continue addressing critical infrastructure needs. These funds, however, will not be available until fiscal year 2002 and only upon certification by the Interior Department that performance standards have been complied with. The budget request also includes an increase of US$ 1 million in the Office of Insular Affairs technical assistance programme to assist the Government of the islands to carry out broad fiscal reforms.[9]

C. Agriculture, livestock and fisheries

19. Agriculture has played a small part in the Territory's economy since the decline of sugar production in the 1960s. In the 1990 census, only 1.2 per cent of the economically active population was engaged in agriculture or fishing.

20. As a result, the Territory imports about 90 per cent of its food, at a cost of between $200 million and $300 million per year. Development of agriculture is hindered by high production costs and water scarcity. However, incentives to promote agriculture do exist. In particular, farm land is tax exempt, farm income is taxed at a lower rate than other income and imported farm equipment is 50 per cent exempt from excise taxes. In addition, a number of local and federal programmes provide assistance for agricultural development. Under an agreement with the United States Department of Agriculture, a Rural Development Loan Fund provides direct loans up to $99,500. The Small Business Development Agency provides direct loans of up to $10,000 for licensed farmers and fishermen. The Farmers Home Administration guarantees up to 90 per cent of bank loans for land, equipment, buildings and operating expenses.

D. Industry

21. Manufacturing incentives are provided by a trade regime that confers unique advantages on the United States Virgin Islands. Items assembled in the Territory can be exported duty free into the United States, even if up to 70 per cent of its value consists of foreign dutiable components. Other incentives include 90 per cent exemption from local corporate income taxes for 10 to 15 years for new manufacturers. Goods manufactured for export include watches, textiles, electronics, pharmaceuticals and rum (responsible for 15 per cent of the Territory's export revenue).

22. Employment in manufacturing fell to 2,210 in 1997, due primarily to the closure of two of the seven watch assembly plants in the Territory. Employment in the sector is expected to rise as new jobs in petroleum and light manufacturing offset continued declines in the watch industry.

23. The industrial sector is dominated by the Hess Oil Refinery (St. Croix), one of the largest in the Western hemisphere, which employs 2,000 workers. On 30 October 1998 the Hess Oil Corporation formed a 50 per cent joint venture with Petróleos de Venezuela to own and operate the refinery. The new corporate entity was named Hovensa L.L.C. In the two months subsequent to the merger, total crude oil refined was 433,000 barrels per day, compared with 419,000 barrels per day for the previous 10 months, and 411,000 barrels per day in 1997. In February 2000, Hovensa announced the investment of US$ 600 million in the construction of a new coker project (a plant which converts pitch, the least valuable portion of crude oil, into higher value products) on St. Croix.[10] While 200 workers were employed initially to prepare the site, it is expected that needs will increase over a 10-month period and peak at about 2000 employees.[11]

24. During the period covered by this report, plans by the Texas-based company Beal Aerospace to build a rocket assembly plant on 14.4 acres of land at Great Pond, St. Croix, have been the subject of considerable controversy. According to press reports, the project was opposed by environmental groups. On 22 December 1999, a territorial Court Judge ruled that the Government could not legally transfer the land (which had been left in deed to the United States Virgin Islands by its late owner) to the company in question. Beal Aerospace appealed against this ruling on 7 January 2000 and announced on the same day that it was cancelling its plans to build the plant.[12] On 20 January 2000, the ruling was also appealed against by the Governor and Attorney-General, citing factual and procedural issues which they wanted the District Court appeals panel to consider.[13]

E. Banking and insurance

25. According to the most recent information provided by the administering Power (see A/AC.109/2076, paras. 12 and 13), as of 1995 deposits in the eight major financial institutions operating in the Territory (Banco Popular, Bank of St. Croix, Chase Manhattan, Citibank, First Bank P.R., First VI Federal Saving Bank, Bank of Nova Scotia and VI Community Bank) exceeded $1.2 billion. Time deposits, primarily in non-United States banks, represented 25 per cent of the total. The banks offer a full range of personal and corporate financial services. All banks are regulated by the territorial Banking Board headed by the Lieutenant Governor. United States banks operating in the Territory are also regulated and insured by United States law and institutions.

26. All types of insurance are available through insurance agents who represent major international insurance companies. The insurance industry is regulated by the Lieutenant Governor who serves as Insurance Commissioner.

F. Trade

27. The Territory is exempt from the Jones Act, which requires that freight moving between United States ports be carried by United States-flagged ships. The island benefits from other favourable trade concessions (see para. 21 above) as part of its relationship with the administering Power.

28. Nonetheless, the Territory generally runs at a trade deficit, owing to its heavy reliance on imported goods, most of which come from the mainland United States. In 1995, the Territory imported $3,300 million worth of goods, and exported $3,036 million, according to publicly available Department of Interior figures.

29. Furthermore, there are indications that trade has been affected by recent policies undertaken by the administering Power. According to press reports, local businessmen say that tariff concessions made as a result of signing the North American Free Trade Agreement (NAFTA) and joining the World Trade Organization have erased the price advantage the United States Virgin Islands used to have as a free port. The territory would be further affected by any future broadening of NAFTA into a free trade area of the Americas.

G. Tourism

30. The tourism sector accounts for more than 60 per cent of the gross territorial product and employs around two thirds of the workforce. According to press reports, annual cruise arrivals increased by 50 per cent from

1988 to 1998, reaching 1.6 million, which represented a record for the Territory. At the same time, overall tourism income fell from $901.7 million in 1993 to $601.2 million in 1997. More recent data from the Territory's Bureau of Economic Research indicates that 1999 was a mixed year for the tourism industry. While 505,473 visitors arrived by air in 1999, up 7.8 per cent from 1998, cruise passenger arrivals were down by 10 per cent. Overall hotel occupancy rates from January to November 1999 were 55.9 per cent, up by 3.7 per cent over 1998, but the figures fluctuated greatly from month to month. Although reportedly, no single factor was responsible for the year's overall decline in cruise ship visitors, press reports note that there was a general decrease in travel to the Caribbean and that several ships which call regularly at the Islands spent time in dry-dock maintenance, while other charter cruises were re-routed.[14]

31. In his State of the Territory address on 10 January 2000, the Governor vowed to reactivate the Tourism Advisory Council, a public-private partnership that would work with the Tourism Department to promote the industry. He also announced the release of US$ 1.5 million from the Government's General Fund for an advertising campaign to encourage tourism during the Summer season.[15]

32. In March 2000, a new hotel and gaming facility opened on St. Croix. The Divi Carina Bay Hotel and its adjoining Casino (the first on the island) has been hailed by the media as a catalyst to revitalize the economy of St. Croix, which has been in recession since hurricane Hugo in 1989.[16]

H. Transportation, communication and basic facilities

33. The Territory has five major docking facilities. South Shore (St. Croix) is located near the St. Croix airport and industrial park, and handles lift-on/lift-off and roll-on/roll-off vessels. Gallows Bay (St. Croix) has a combined berthing space of 700 feet and a small roll-on/roll-off ramp. Frederiksted's (St. Croix) 5,216-foot port can berth two large cruise ships and two mini-cruise ships simultaneously and can accommodate naval submarines. Crown Bay (St. Thomas) has three cruise ship docks operated by the Virgin Island Port Authority, a semi-autonomous government agency, as well as a 900-foot wharf which can accommodate roll-on/roll-off cargo and container and break bulk operations. The West Indian Company bulkhead pier (St. Thomas) is privately operated, primarily for cruise ships. In September 1998, a new $9 million molasses tanker pier was dedicated on the south shore of St. Croix. The facility can accommodate two long vessels simultaneously.

34. Two international airports, Cyril E. King Airport on St. Thomas and Henry Rohlsen Airport on St. Croix, are operated by the Port Authority. A US$ 40 million expansion project at St. Croix's airport is currently under way. The project is based on a 1994 report prepared by aviation experts for the Port Authority. It will expand the terminal building and the runway infrastructure in several phases.[17]

35. Electricity is thermally generated using imported fuels. The Water and Power Authority (WAPA) serves approximately 47,000 customers. Major generating facilities are located on St. Thomas and St. Croix, and a standby facility is located on St. John. Transmission and distribution of power is typically 13,800 volts, 3 phase, 60 hertz throughout the Territory. During the period under review there have been lengthy discussions about a proposal by a mainland company, Southern Energy Incorporated, to acquire a majority interest in WAPA. Faced with opposition to privatization, especially from union members, the Governor stressed in his State of the Territory Address that his Administration would only consider such a transaction if it provided better and more reliable service at more affordable rates, a greater return on the Government's investments in WAPA and adequate protection for existing WAPA employees.[18] An agreement between the Government and Southern Energy has yet to be reached.

36. Owing to limited freshwater supplies, salt water is used extensively for non-domestic purposes, including firefighting and sewerage. The Water and Power Authority desalinates water and collects rainwater for domestic use. A desalination plant on St. Thomas produces 4.45 million gallons per day. Wells, particularly on St. Croix, supply the remainder of the freshwater necessary. Owing to the high cost of water, average daily consumption is about 50 gallons per person per day, about one third the United States average.

37. In August 1998 ground was broken for the construction of a new $5.5 million waste water plant on the island of St. John. In addition, the board of the

Water and Power Authority approved a $507,000 project to replace old, corroded pipes in Christiansted with new polyvinyl chloride (PVC) pipes. The Government is also developing plans for the construction of integrated solid waste management facilities for St. Croix and for the St. Thomas-St. John District.[19]

V. Social conditions

A. Labour

38. According to information provided by the administering Power, the labour market improved slightly in 1997, as employment increased by 9 per cent to 43,453. The unemployment rate declined from 5.3 per cent in 1996 to 4.9 per cent in 1997.

39. The largest employer in the Territory remains the Government, accounting for 12,900 employees, about 12 per cent of the total population of the island. A large number of other employees are paid under government contracts and federal government grants. In 1997, the federal and local Governments combined accounted for 13,800 jobs, approximately one third of all civilian employment in the Territory. As part of the 1999 agreement between the territorial Government and the Department of the Interior measures to reverse the Islands' severe public finance problems, the government payroll is to be cut by five per cent per year for five years.[20] The recent report issued by the Economic Recovery Task Force concludes that the Government is too big and in need of extensive operations and management reform, and the report suggests a number of restructuring measures.[21]

40. The Territory has an insurance programme for the unemployed. Paying into the programme are 3,400 federal, local and private employers. The money is deposited into the United States Treasury at the federal level. Private employers paid $8.7 million in 1996 and $7.7 million in 1997. In 1996, 11,000 claimants received $11.5 million in benefits and in 1997, 7,300 claimants received $6.7 million in benefits. An external federal audit by a United States Inspector General in 1999 found $18.7 million in unrealized revenues and $408,200 in unsupported costs.

41. Employers must follow federal and territorial labour laws, such as minimum wage and hours, standards of safety and occupational health, and payment of social security and unemployment insurance.

B. Public health

42. The hospital in St. Thomas offers general service and has 157 beds. The hospital in St. Croix has 120 beds. There is also a 16-bed private hospital in St. Croix. Overall responsibility for the hospitals is held by the Department of Health. According to the Territory's Delegate to the United States Congress, many of the islands' health-care facilities are in need of renovation or reconstruction, there is no existing comprehensive health-care planning and there continue to be unserved communities, especially in Hispanic and other newly immigrated populations, where outreach is needed.[22] In January 2000, Governor Turnbull announced that the Department of Health had embarked on an aggressive capital improvement programme to rehabilitate unoccupied buildings. A new Mental Health Complex on St. Thomas was to be established to treat patients now housed in the United States, saving US$ 1.7 million in off-island health-care costs. On St. Croix other medical facilities, such as the Charles Harwood Complex, the Fredriksted Health Centre and the Ingeborg Nesbitt Clinic were slated for renovation.[23]

43. In 1999, for the first time, the Territory was the recipient of federal Department of Health and Human Services grants to improve access to human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) support services and medication. The Territory received $624,935 in such grants. There have been a total of 377 AIDS cases reported in the Territory, and 199 known deaths to date. The number of new cases reported in 1998 was 30, down from 74 in 1997. In April 2000, the United States Department of Health and Human Services earmarked a total of US$ 667,110 in grants for the Virgin Islands to provide care to low-income, uninsured persons affected by the epidemic as well as financial assistance to purchase human immunodeficiency virus (HIV) medications.[24]

C. Crime and crime prevention

44. High crime rates are a matter of concern in the United States Virgin Islands. By United States standards, the Territory has one of the highest per

capita murder rates, an issue which the Government acknowledges undermines efforts to increase tourism and improve the economy. The police force is administered by the Virgin Islands Government Department of Police. In the past years, police investigations and forensic work have been hampered by a lack of facilities vehicles and equipment. In 1999, the Police Departments Training curriculum was revised and recruits and officers received field training in crime scene and investigation and forensic techniques through the University of Kansas Law Enforcement Training Institute.[25] In January 2000, Governor Turnbull announced improvements in police facilities and, by maximizing Federal funds, an increase of 30 police officers by the end of the fiscal year. A month later, the Police Commissioner made public that the Forensic Unit (the members of which had imposed a moratorium on processing bio-hazardous materials until they received safety equipment) was moving into a renovated space in the Criminal Justice Complex on St. Thomas. Among the new facilities provided are fingerprint analysis sets, evidence storage equipment and software for storing and viewing mugshots.[26]

45. An Adult Correctional Facility is located on St. Croix. In March 1999, a United States federal court ordered the local Government to relieve overcrowding at local prisons. At that time, the current prison population in the Territory was 308. In addition, 192 inmates were incarcerated in off-island prisons to reduce overcrowding. According to the Governor, the construction of the US$ 24 million Golden Grove prison expansion and renovation project is on schedule and will be completed by the end of 2000.[27]

46. According to Government and Police authorities the transit of illegal drugs through the Territory is a root cause of much of the escalation in crime. In 1994, the Office of National Drug Control Policy designated the United States Virgin Islands, along with Puerto Rico, a High Intensity Drug Trafficking Area (HIDTA) as they were recognized as major drug trans-shipment points between South America and the United States. Since 1994, the two Territories have been receiving approximately $9 million combined in extra funding to reduce the flow of drugs. In his January 2000 address, Governor Turnbull vowed to continue to work closely with the Drug Enforcement Agency (DEA), United States Customs, Immigration, the Coast Guard and the United States Attorney's Office to combat the importation and sale of illegal drugs.

D. Educational conditions

47. Education is compulsory and free for all children between 5 and a half and 16 years of age. The Government's Department of Education administers 32 schools on St. Thomas, 14 on St. Croix and 2 on St. John. According to the administering Power, maintenance of the physical facilities is poor and vandalism is a constant problem.

48. School enrolment has been steadily declining since its peak in 1983 at 33,092 students. By 1997 it had fallen 15 per cent to 28,303, of which about 6,600 attended private schools.

49. Accreditation of local schools by the Middle States Association was extended until 1 May 2001. The Association noted that the extension of accreditation was in part due to a renewed commitment on the part of the local government towards the school system.

50. The University of the Virgin Islands has campuses on St. Thomas and St. Croix and provides courses in business administration, the humanities, social sciences and teacher education, and occupational courses in accounting, business management, secretarial administration, nursing, police science and administration.

51. The Governor announced during his State of the Territory address in January 2000 that education was a top priority and that the Department had presented a five-year strategic plan to establish safe, drug-free schools, ensure that they have adequate supplies and maintenance, and update teacher-training programmes. He also announced his Government's commitment to build a third high school on Saint Thomas and another school building on Saint John and to provide adequate funding for the University of the Virgin Islands.[28]

E. Human rights

52. More than 3,000 Black farmers from the United States Virgin Islands submitted a class action lawsuit against the United States Department of Agriculture in 1997, alleging that it discriminated against Black farmers in its disbursement of loans. In January 1999, the USDA settled the suit in favour of the farmers,

agreeing to provide monetary compensation. In the same month, a local company, HAP Construction Company, sued the Army Corps of Engineers, the Defense Department and the Federal Emergency Management Agency, alleging racial discrimination in the award of a contract to clear debris left by hurricane Marilyn. In January 2000, residents of St. Croix joined a broad class action suit against the United States Department of Agriculture, alleging systematic discriminatory practices by its Rural Development Office against Blacks and Hispanics who tried to participate in its housing loans and grants programmes.[29]

VI. Future political status of the Territory

53. No significant action on the political status of the Territory has been taken since a referendum was held in 1993. In that ballot, only 27.4 per cent of registered voters voted on the question (of which 80.3 per cent supported the existing status, 14.2 per cent voted for full integration with the United States, and 4.8 per cent voted for an end to United States sovereignty). The result was considered invalid as less than the requisite 50 per cent of the electorate voted.

A. Position of the territorial Government

54. Speaking before the Fourth Committee on 5 October 1999, the Minister of State for External Affairs of the United States Virgin Islands[30] referred to his participation at the special session of the General Assembly five-year review of the Global Conference on the Sustainable Development of Small Island Developing States as a defining moment in the implementation of the spirit of Fourth Committee resolutions which historically linked the process of self-determination and the Territories' participation in the work of the United Nations. The recent regional seminar held in Saint Lucia had stressed the importance of involving the Territories in such socio-economic and technical programmes as those adopted at United Nations world conferences. His Government had submitted a regional project to assist small island Non-Self-Governing Territories in the implementation of action plans on sustainable development. Its endorsement by the Fourth Committee would assist the Territories in finding the necessary external resources.

55. The seminar had also emphasized the need for increased membership or observer status for the Territories in international organizations. Currently, some Territories were participating as associate members or observers in the work of the specialized agencies, regional economic commissions, world conferences and subsequent special sessions of the Assembly. Since over the years requests for participation had been approved by consensus, it was not clear why the resolution submitted to the Fourth Committee and the companion resolution adopted by the Economic and Social Council had not achieved the same unanimity. The United States Virgin Islands urged that such resolutions be adopted by consensus. The Economic Commission for Latin America and the Caribbean, in its resolution 574 (XXVII) of 1998, supported the granting of observer status in the Council to Territories which were associate members of the regional commissions. In accordance with the principle of universality proclaimed in the Charter, they should also have observer status in the General Assembly.

56. He noted the minimal response of the United Nations system to the Secretary-General's appeal for information on the implementation of the Declaration on Decolonization (A/54/119), and urged the Fourth Committee to reiterate that appeal. Despite the recommendations in the resolution on the activities of the specialized agencies in the Territories, no specific proposals for assistance had been received, no progress reviews had been included in the agendas of the governing bodies and no reports had been submitted on the implementation of relevant resolutions. It was essential to follow up the implementation of the resolutions more closely. He concluded that the progress achieved in drawing the Organization's attention to socio-economic and constitutional issues in the Territories had largely been possible through the efforts of the Territories themselves. However, they needed assistance. Their participation in the programmes and activities of the United Nations system would promote the process of decolonization.

B. Position of the administering Power

57. In a statement made to the Fourth Committee during the fifty-fourth session of the General Assembly,[31] on 6 October 1999, a representative of the United States noted that although important work remained to be done in the field of decolonization

much had already been accomplished; since the adoption of the Declaration on the Granting of Independence to Colonial Countries and Peoples, over 60 former colonial Territories had exercised self-determination and joined the United Nations as sovereign members. While continuing to believe that the standards applied in General Assembly resolutions 1514 (XV) and 1541 (XV) were too narrow, his country offered its full support to countries which chose independence. Equally, it supported the right of people in Non-Self-Governing Territories to a full measure of self-government if that was what they chose. Reaffirming his respect for the rights of self-determination, he called on the Committee members to respect similarly the choices made by the residents of Non-Self-Governing Territories, and stressed that no single standard of decolonization applied to every Territory.

58. At the close of the International Decade for the Eradication of Colonialism, tremendous political, economic and social progress had occurred and was still occurring in the lives of the residents of Non-Self-Governing Territories; his country accordingly questioned the applicability of the term "non-self-governing" to those in a position to take such steps as establishing their own constitution, electing public officers and choosing their own economic path. His country applauded the recognition of different paths to development, and hoped that Committee members would join it in recognizing that the presence of outside economic and military interests in Non-Self-Governing Territories, far from being detrimental to the interests of those Territories or their peoples, formed the basis of partnership between a region and the outside world. In that connection, each case should be considered on its own merit. Investment was not necessarily a bad thing, and economic activities need not constitute a major obstacle to independence. Lastly, he shared the sentiments expressed by the representatives of China and the United Kingdom concerning the efforts of the Chairman of the Special Committee on decolonization to revitalize the Committee's work with the administering Powers, which boded well for achieving the goal of eradicating colonialism. His country looked forward to continuing to work closely with the Committee in a spirit of mutual cooperation and respect.

C. Action by the General Assembly

59. On 6 December 1999, the General Assembly adopted, without a vote, resolution 54/90, section XI of which concerns the United States Virgin Islands. In the resolution, the Assembly, *inter alia*, requested the administering Power to bear in mind the views of the people of the Territory and keep the Secretary-General informed of the wishes and aspirations of the people regarding their future political status; to continue to assist the territorial Government in achieving its political, economic and social goals; and to facilitate the participation of the Territory, as appropriate, in various organizations, in particular the Organization of Eastern Caribbean States, the Caribbean Community and the Association of Caribbean States. The Assembly expressed concern that the Territory, which was already heavily indebted, had had to borrow US$ 21 million from a commercial bank to carry out its year 2000 computer compliance programme, and called for the United Nations year 2000 programme to be made available to the Non-Self-Governing Territories. It noted that the general elections held in the Territory in November 1998 had resulted in an orderly transfer of power. Finally, the Assembly expressed concern that the territorial Government was facing severe fiscal problems, which had resulted in an accumulated debt of more than one billion United States dollars, welcomed the measures being taken by the newly elected territorial Government in addressing the fiscal crisis, and called upon the administering Power to provide every assistance required to alleviate the crisis, including the provision of appropriate debt relief and loans.

Notes

[1] The information contained in the present working paper was derived from information transmitted to the Secretary-General by the Government of the United States of America as well as from published sources.

[2] United States Department of the Interior, Office of Insular Affairs, *A Report on the State of the Islands, 1999*.

[3] United States Virgin Islands Governor Charles W. Turnbull, III, "State of the Territory Address", 10 January 2000, accessed at: 222.nga.org.

[4] *United States Virgin Islands Daily News*, 14 February 2000.

[5] Based on data access at: www.onepaper.com, St. Thomas Source, 2 June 2000.

[6] Governor Turnbull, loc. cit.

[7] Office of Insular Affairs, news release, 24 June 1999.

[8] *Caribbean Insight*, 28 January 2000.

[9] Office of Insular Affairs, news release, 8 February 2000.

[10] *Daily News*, 12 February 2000.

[11] Based on data accessed at: www.onepaper.com, St. Croix Source, 2 June 2000.

[12] Based on data accessed at: www.bealaerospace.com, and *Daily News*, 11 January 2000.

[13] *Daily News*, 20 January 2000.

[14] Ibid., 31 December 1999.

[15] Governor Turnbull, loc. cit.

[16] *Daily News*, 4 February 2000.

[17] Ibid., 8 March 2000.

[18] Governor Turnbull, loc. cit.

[19] Ibid.

[20] *Daily News*, 31 January 2000.

[21] Ibid., 15 January 2000.

[22] Ibid., 24 January 2000.

[23] Governor Turnbull, loc. cit.

[24] Based on data accessed at: www.os.dhhs.gov/news, 7 April 2000.

[25] Based on data accessed at: www.onepaper.com, *The Vanguard*, St. Croix Foundation, 2 June 2000.

[26] *Daily News*, 8 February 2000.

[27] Governor Turnbull, loc. cit.

[28] Ibid.

[29] *Daily News*, 13 January 2000.

[30] A/C.4/54/SR.4.

[31] A/C.4/54/SR.5.